



Department of Justice

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NORTH CAROLINA AND TENNESSEE COMPANIES PLEAD GUILTY TO MAKING FALSE STATEMENT TO GOVERNMENT

WASHINGTON, D.C. — Taylor & Murphy Construction Co., Inc. of Asheville, North Carolina, and Maymead, Inc. of Mountain City, Tenn. pleaded guilty today to separate charges of making a false statement to the government in connection with each company's bid on separate federal highway construction projects, the Department of Justice announced.

The Federal Highway Administration's (FHWA) solicitations for bids on road construction projects for portions of the Blue Ridge Parkway in Buncombe and Watauga counties, North Carolina, required the submission of line item prices and also required the submission of a Certificate of Independent Price Determination (CIPD). The CIPD is a certification that the bidder has not and will not disclose its bid prices to any other bidder or competitor before the sealed bid opening. The FHWA will not consider the bid of, or the award of a project to, a bidder that does not include the CIPD.

In separate criminal charges filed in U.S. District Court in Asheville, the government charged that Taylor & Murphy Construction Co., Inc., falsely certified to the FHWA that it had not disclosed its sealed bid prices for the Buncombe County Blue Ridge Parkway project, and that Maymead, Inc. falsely certified to the FHWA that it had not disclosed its sealed bid prices for the Watauga County Blue Ridge Parkway project. The execution of each CIPD was accomplished with the full knowledge that an employee of the respective company had met with an unnamed competitor and had shared prices with that competitor before the bid deadline. At the bid opening in early 2001 for the Buncombe County project, Taylor & Murphy was awarded

the project for a total price of over \$1.6 million. Maymead was awarded the Watauga County project at a bid opening in late 2000 for a total price of over \$3 million.

“The sealed bidding process ensures American taxpayers that their government will obtain the goods and services it purchases on their behalf at competitive prices,” said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program. “Today’s charges demonstrate that the Division will aggressively pursue companies that abuse the competitive bidding process.”

Taylor & Murphy and Maymead are charged with violating Title 18, Section 1001 of the United States Code, which carries a maximum fine of \$500,000 for a corporation. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum.

Today’s charges stem from an ongoing investigation of the road construction industry in North Carolina and Tennessee that is being conducted by the Antitrust Division’s National Criminal Enforcement Section and the Atlanta Office of the Department of Transportation’s Inspector General.

Anyone with information concerning bid-rigging or false statements to the government in the North Carolina or Tennessee road construction industry should contact the Antitrust Division’s National Criminal Enforcement Section at (202) 307-5784 or the Atlanta Office of the DOT-IG at (404) 562-3862.

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